

MLN Matters Number: MM4140

Related Change Request (CR) #: 4140

Related CR Release Date: February 15, 2006

Effective Date: January 1, 2005

Related CR Transmittal #: R856CP

Implementation Date: January 3, 2006

January 2006 Quarterly Average Sales Price (ASP) Medicare Part B Drug Pricing File, Effective January 1, 2006, and Revisions to January 2005, April 2005, July 2005, and October 2005 Quarterly ASP Medicare Part B Drug Pricing Files

Note: This article was revised to contain web addresses that conform to the new CMS web site and to show they are now MLN Matters articles. All other information remains the same.

Provider Types Affected

All Medicare providers who bill Medicare for Part B drugs

Provider Action Needed



STOP – Impact to You

Change Request (CR) 4140 provides notice of the updated payment allowance limits in the January 2006, April 2005, July 2005, and October 2005 drug pricing files.



CAUTION – What You Need to Know

Be aware that certain Medicare Part B drug payment limits have been revised and that CMS updates the payment allowance on a quarterly basis. The revised payment limits included in the revised ASP and Not Otherwise Classified (NOC) payment files supersede the payment limits for these codes in any publication published prior to this document.



GO – What You Need to Do

Make certain that your billing staffs are aware of these changes.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

Background

According to Section 303 (c) of the Medicare Modernization Act of 2003 (MMA), the Centers for Medicare & Medicaid Services (CMS) will update the payment allowances for Medicare Part B drugs on a quarterly basis.

Beginning January 1, 2005, Part B drugs (that are not paid on a cost or prospective payment basis) are paid based on 106 percent of the average sales price (ASP).

The ASP is calculated using data submitted to CMS by manufacturers on a quarterly basis and each quarter, CMS will update your carrier/FI payment allowance limits with the ASP files.

On or after December 19, 2005, revised April 2005, July 2005, and October 2005 ASP and NOC payment files and the January 2006 ASP and NOC files will be available for download.

- The revised April 2005 payment allowance limits apply to dates of service April 1, 2005, through June 30, 2005.
- The revised July 2005 payment allowance limits apply to dates of service July 1, 2005, through September 30, 2005.
- The revised October 2005 payment allowance limits apply to dates of service October 1, 2005, through December 31, 2005.
- The January 2006 payment allowance limits apply to dates of service January 1, 2006, through March 31, 2006.

Exceptions

There are, however, exceptions to the general rule and they were summarized in MM3846, effective July 1, 2005, and may be viewed at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM3783.pdf> on the CMS web site.

Implementation

The implementation date for the instruction is January 3, 2006.

Additional Information

The official instruction issued to your carrier/intermediary regarding this change may be found at <http://www.cms.hhs.gov/Transmittals/downloads/R856CP.pdf> on the CMS web site.

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CMS will also update the Microsoft Excel files on the CMS web site to reflect these revised payment limits. Those files can be found at <http://www.cms.hhs.gov/McrPartBDrugAvgSalesPrice/> on the CMS web site.

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at <http://www.cms.hhs.gov/apps/contacts/> on the CMS web site.

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